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C O N F I D E N T I A L PANAMA 001035

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SUBJECT: PANAMA POST: EDITION I

Classified By: POLCOUNS BRIAN R. NARANJO. REASONS:
1.4 (B) AND (D).

SUMMARY

¶1. (U) This cable is the first edition of what we hope will be a periodic series of reports on political developments. The Panama Post will include news items that would normally fall on our editor's cutting room floor. Our intent is to provide our Washington consumers a more textured understanding of Panama's political on-goings and to share some information that might not otherwise find their way to our consumers. This edition's topics include:

- the governing PRD solidifies its dominance with membership drive
- a Bolivarian umbrella organization calls for a constituyente;
- Bolivarian party, the Popular Alternative Party (PAP), seeks "party in formation" status;
- child labor receives in-depth media press coverage;
- First VP and FM Samuel Lewis raises sale of old chancery with Ambassador;
- Panamanian baseball legend Omar Moreno to receive key to the city of Atlanta.

Future editions of the Panama Post will include a similar smorgasbord of political stories, recount our encounters with high fliers and bottom feeders, and impart hopefully a better understanding of Panama's political milieu.

Governing PRD Adds Over 50,000 New Members

¶2. (U) Handily surpassing the 500,000 member mark, the governing Revolutionary Democratic Party (PRD) added 55,236 new members to its rank and file during a nationwide, June 8-10 membership drive. Unofficially, the PRD now numbers 549,581 members. Jubilant, President Martin Torrijos -- who is also the PRD's Secretary General -- asserted that this impressive membership drive would ensure a PRD victory in ¶2009. Opposition National Liberal Republican Movement (MOLIRENA) President Gisela Chung, whose own party is quickly eroding under her feet, said the opposition had to unify to confront this rising PRD wave. Democratic Change (CD)

President Ricardo Martinelli, who currently heads the opposition polls, dismissively stated that voters joined the PRD because they wanted something, whereas voters joined CD because their heart led them there.

13. (C) Comment: The PRD outnumbers the three largest opposition parties -- the Panamenista, Patriotic Union (UP), and Democratic Change (CD) parties -- combined. Once these registrations are confirmed, one out of every four Panamanian voters will be a PRD member. Most analysts tell the Panama Post that they believe that whoever the PRD chooses to succeed Torrijos will start at about thirty percent in the polls. Since about half of the voters are independents, elections are won by appealing to voters who are not aligned with any party, most analysts agree.

MPUNA Calls for "Constituyente"

14. (U) Bringing together "popular organizations" from across Panama, the Peoples United for Our America Movement (MPUNA) held its maiden meeting in Panama City on May 12. University of Panama Professor Miguel Angel Candanedo was elected as this "anti-neoliberal" and "anti-capitalist" umbrella organization's first secretary general. Candanedo has called for building an alternative proposal for the Americas that is based upon the ideals espoused by Simon Bolivar, Jose Marti, Victoriano Lorenzo, Cesar Sandino, Ernesto "Che" Guevarra and Panamanian forefather Justo Arosemena (have to have a local hero in your pantheon). MPUNA hosted an "alternative social summit" at the University of Panama during the June 3-5 Organization of American States General Assembly (OASGA). Candanedo denies that MPUNA seeks to establish itself as a political party or to launch its own candidates, but has called for a "constitutional assembly" (constituyente) and greater "participatory democracy."

15. (C) Comment: Candanedo and MPUNA are following the chavista play book in calling for a constituyente and greater participatory democracy. MPUNA's "alternative social summit," following Venezuela's line, even denounced alternative fuels such as ethanol asserting such efforts would only take food from the mouths of the hungry. The University of Panama continues to be one of the few hotbeds of Bolivarianism in Panama. Students from the university spearheaded a "spontaneous" demonstration against Venezuelan political activist Gerardo Blyde outside his hotel in the run-up to the OASGA. The considerable backlash that the GOP endured for its milquetoast assertion that Chavez's closure of Radio Caracas Television (RCTV) was a "sovereign decision" and the outpouring of Panamanian public support for freedom of expression in Venezuela suggest that MPUNA and other Bolivarian enthusiasts may have a harder time than previously anticipated in leading their compatriots down the Chavez-inspired populist path.

Another New Party? PAP

16. (U) The Popular Alternative Party (PAP) completed the final step to be considered a "party in formation," PAP Secretary General Omeldo Beluche announced June 12. Beluche,

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a University of Panama professor and colleague of Candanedo, said that PAP had collected 1,200 signatures -- 200 more than necessary -- to complete this initial phase and called on supporters to join him on June 15 when he planned to deliver his petition to the Electoral Tribunal (TE).

17. (C) Comment: Beluche has previously told the Panama Post that he faces an insurmountable hurdle -- collecting some 60,000 signatures -- to have PAP formally recognized as a political party. The Panama Post sees no indication that the political stars have realigned to make this goal any more achievable. Instead, Beluche is both advocating for a lower

registration threshold for new parties (a fruitless endeavor that will go nowhere in the National Assembly) while simultaneously preparing to attack Panama's electoral laws as undemocratic and yet another illustrative example that Panama needs "participatory democracy" and a "constituyente."

Media Raise Awareness of Child Laborer Problem

18. (U) Leading Panama City dailies La Prensa and Panama-America ran in-depth coverage on child labor on June 12, the International Day Against Child Labor. Television and radio outlets carried shorter reports. According to the GOP's most recent figures (from 2000) there are 47,076 child laborers of whom 51 percent work in the agricultural sector. While a common problem in urban and rural areas, child labor is particularly prevalent among indigenous populations and in the agricultural sector. Some indigenous children have been used as sex workers and in drug trafficking, according to media reports. Extreme poverty, weak unions and agricultural labor regulations, and cultural attitudes that view child labor as a necessity and tradition, not as exploitation, contribute to a higher incidence of child labor. The GOP is working with the International Labor Organization (ILO) to identify solutions, reports said, and the GOP established on June 23, 2005 a Committee for the Eradication of Child Labor and the Protection of the Adolescent Work. The Technical Judicial Police (PTJ) recently opened an office in the Kuna Yala reservation (comarca) that will investigate cases of child exploitation, including as related sexual and drug trafficking crimes.

19. (U) This extensive coverage raises public awareness of Panama's child labor problem with remarkable candor. In 2006, upon the release of the annual child labor report, the Office of First Lady Vivian de Torrijos lashed out the USG for smearing Panama with allegedly baseless assertions that child labor, particularly in the sex industry, was a problem in Panama. Encouraged by the media's comprehensive coverage, the Panama Post hopes that the release of the next child labor report will foster a more sober discussion.

The Sale of "Old" Embassy Draws FM's Attention

110. (U) As many of our readers know, Embassy Panama will soon be moving into new digs in Clayton. Among the eleven different locations that we will be vacating, our departure from the chancery -- located on a prime, water-front lot on Panama City's main drag, Balboa Avenue -- has drawn the most interest from realtors, builders, the Attorney General (who would like to turn the chancery into her new headquarters), and now First VP and FM Samuel Lewis. Lewis called Ambassador on June 13 to give us a heads-up that Panama daily La Prensa would be running an article regarding the sale of old chancery. (Note: La Prensa did not run an article on the sale of the chancery in its June 14 edition.) This article would state that, in the MFA's Legal Advisor's opinion, the land was leased and could not be sold or transferred and that it should revert back to the GOP when it ceased to be our chancery. Furthermore, Lewis said that an unnamed California broker was offering the property for sale for USD 16 million. Noting that our legal experts were still reviewing the matter, Ambassador advised Lewis that no broker was selling or authorized to sell the property and undertook to discuss the matter with Lewis once we had guidance from Washington.

111. (SBU) Comment: The Panama Post suspects, but cannot confirm, that Lewis planted this article with La Prensa. What may be an administrative matter for the U.S. of disposing of excess real estate will likely be viewed much more politically by the GOP. Indeed, the mere listing on state.gov of Embassy Panama as one of several State properties to be put on the sales block was picked up by several Panama news outlets. The Panama Post understands that

OBO is actively studying the matter.

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Baseball Diplomacy: Panamanian Legend Omar Moreno Returns to
Atlanta
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¶12. (U) Panama Post Exclusive!!! Panamanian baseball legend and close Embassy partner Omar Moreno will take a little-league team to play a series of friendlies in Atlanta July 28 - August 4. Omar, whose foundation provides Panama's poorest kids with a chance at a better life through baseball and education, earned World Series's rings with the '79 Pittsburgh Pirates and the '85 Kansas City Royals and finished his career with the Atlanta Braves. While in Atlanta, he will receive a key to the city, cut a ribbon at a little league field to be named after him by Atlanta's Recreation and Parks Department, and take his kids to a game at Turner Field. Picking up on the Embassy's encouragement of public-private partnerships, Delta Airlines is looking to provide free air fare for Omar and his kids, and Coca Cola may sponsor as well.

¶13. (SBU) Comment: The Panama Post is happy to report that this endeavor is another in a growing tradition of sports diplomacy victories here in Panama. Post is working with the Department's Office of Sports Diplomacy to provide additional involvement and coverage to be used back in Panama.

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